



Agenda Item:

033

COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 02/09/04
042

Communication No.: 04-

Agenda Item Type: Resolution

Roll Call No.:

Submitted by: Donald M. Tripp, Park and Recreation Director

SUBJECT—

Termination of Operating Agreement with the Des Moines Municipal Athletic Federation

SYNOPSIS—

Approval to terminate Operating Agreement by and between the City of Des Moines and the Des Moines Municipal Athletic Federation.

FISCAL IMPACT—

This action will result in an increase of \$14,703 in net revenues. The termination of this Agreement will result in all athletic program expenses and revenues incorporated into the City of Des Moines budget for Fiscal Year 2005. The Finance and Park and Recreation Departments have estimated new revenues will exceed new expenses by the amount identified above. This financial estimate was prepared from expense and revenue reports from the Federations' accountant.

RECOMMENDATION—

Approval

BACKGROUND—

On May 20, 1985 by Roll Call No. 95-2530, the Des Moines City Council approved an Operating Agreement by and between the City of Des Moines and the Des Moines Municipal Athletic Federation allowing the Federation to conduct and operate various City sports and athletic programs inclusive of, but not limited to, Softball, Volleyball, Basketball and Flag Football.

Under this Operating Agreement, the Federation deposited fees and paid for officials, some maintenance expenses and capital improvements needed for the various sports and athletic facilities. Part of the original rationale for this Agreement was related to the City's inability to make timely payments to officials, due to the processes used during that time. This was a concern of the Park and Recreation Department and its ability to hire and retain quality officials for the Department's athletic programs.

With improvements made by the Finance Department to the payment process, the Park and Recreation Department is recommending that the Agreement with the Des Moines Municipal Athletic Federation be terminated. This action will allow the City to better track annual operating expenses and revenues with the expenses and revenues being managed through the City's Finance Department and monitored and administered by the Park and Recreation Department.

Under the terms and conditions of the existing Agreement, the City shall be assigned all funds remaining in the Federation's account. This amount is expected to be a one-time transfer of approximately \$15,000. The revised FY 2003/2004 operating budget anticipates this transition with an April 1, 2004 termination date of this Agreement.

Additionally, this change to an athletic program solely managed by the City may offer an opportunity to increase participant revenue and therefore reduce general fund subsidy of the athletics program.